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ABSTRACT

E-learning is technology-based learning, especially Web-based or online delivery of education and training. It has the potential to transform how professional training impacts employers and employees alike. Web-based learning offers particular promise in today's business environment, in which the demand for skilled workers is soaring. Online and Web-based training provides many potential benefits to both companies and employees, including lower delivery costs and minimized productivity losses, just-in-time information, personalized learning, ease of distribution, anywhere and anytime availability, and ability to track progress and performance. Before companies and workers can profit from the promise of online learning, however, the following issues must be considered: quality, learner receptivity, access, and financing. Despite these concerns, Internet-based training is expected to grow dramatically in the next several years. (KC)

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ED 447 273

Will E-Learning Transform Corporate Training?

Work·America

Volume 17 Issue 9
November 2000

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VOL. 17 ISSUE 9 NOVEMBER 2000

NATIONAL ALLIANCE OF BUSINESS

Work•America

THE BUSINESS VOICE ON WORKFORCE DEVELOPMENT

Will E-Learning Transform Corporate Training?

"E-learning" has captured the imagination of corporate trainers, educators and learners around the globe. In the last six months alone, nearly 200 media stories have been written about e-learning. But what is it? And can it revolutionize the ways companies and workers train and retrain in the 21st century workplace?

E-learning is technology-based learning. Broadly defined, it refers to any form of education and training that is delivered by CD-ROM, the Internet, satellite broadcast, video or interactive television. More typically, though, e-learning has come to indicate Web-based or online delivery of education and training. And, in that sense, it has the potential to transform how professional training impacts employers and employees alike.

Key to Competitive Advantage

Analysts and business executives affirm that, in the new knowledge-

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National Commissions, Studies Focus on Questions About E-Learning

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Technology is enabling people to learn faster and more effectively than ever before, which may transform employees and employers alike.

Viewpoint •

"Just what you need to know. NOW."

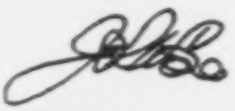
This statement captures Dell Learning's strategic intent for adding value at Dell: to enable everyone to learn what he or she needs when they need it. It implies that learning is immediate, individual and invisible — a natural part of how we work.

E-learning unlocks amazing new possibilities for creating customized, individual learning experiences closely integrated into the work experience. This is a great advantage in a fast-paced environment like Dell's, where technologies and knowledge bases are constantly growing and evolving. Dell's e-learning strategy requires learning solutions that are "disposable" — easily customized, easily changed, and independent of vendors and developers.

Most important, Dell's strategy is about increasing the effectiveness of learning by placing the learner in control. Think about it … a well-executed e-learning initiative means that learners control when, where, what and how much they learn. But don't misread this. The organization is not laissez faire. We must delineate the requirements for success and build assessments into the learning design to enable learners to prove what they already know and focus on what they need.

In a few short years, traditional learning and e-learning will converge. Hybrid learning solutions (combinations of traditional and technology enabled) will be commonplace. Getting there requires organizations to view e-learning as an opportunity to do things differently. Yes, it can reduce training costs. Yes, it can increase availability. But for Dell, it is most importantly an opportunity to increase our effectiveness.

E-learning will play a dramatic part in increasing the skills and knowledge of American workers. It does require different goals and different expectations — "Just what you need to know. NOW."



John Cone
Vice President
Dell Learning

Alliance, National Employer Leadership Council Mobilize School-to-Careers Initiative

By combining actual workplace experiences with more effective classroom learning, school-to-careers (STC) is a productive set of strategies for improving both academic achievement and career opportunities for students. The keystone of the Alliance's STC initiative is the National Employer Leadership Council (NELC), which is managed by the Alliance. The NELC, with a board of 40 business leaders advising the Alliance, is a critical resource for employers engaged in STC. There are five primary strategies:

- broadcasting a unified business voice about the benefits of STC activities;
- outreach and engagement with employers;
- working with educators, parents, students and community leaders;
- linking STC to the broader business agenda; and
- working with states.

Recent important developments in the Alliance's STC work include:

- ***Business View Statements*** on teacher externships, trade and industry associations, skill standards, small business involvement, and sustainability of STC activities.
- ***Newsletter*** editions on how STC is helping to build effective knowledge supply chains and on alternative infrastructures and the return on investment for employers involved in STC.
- ***Best Practice Series***, in cooperation with national trade associations, that offers advice on STC in the information technology, retail and hospitality industries. These booklets identify the unique skills needed for each and illustrate model work-based learning activities within each sector.
- ***Conference Call Workshops***, a series for employers and state and local business coalitions focusing on business involvement in STC. Regional experts mediate discussions on STC, including contextual learning, work-based learning, career academies, small business involvement and teacher externships.
- ***NELC Web site***, which has been refurbished, adding a technical assistance page, testimonials on the benefits of STC, an interactive listserve and a best practice database.

For more information, contact Lindsay Weil, program manager, at 202/289-2894 or Weill@nab.com. •

National Commissions, Studies Focus on Questions About E-Learning

Does technology-based learning offer promise or peril? Two national commissions are studying the impact of technology on lifelong learning.

The American Society for Training and Development (ASTD) and the National Governor's Association (NGA) convened the **Commission on Technology and Adult Learning** in February 2000 to examine the impacts of technology on adult work-related learning. The commission is considering the public policies and private-sector practices that will be necessary to support new ways of acquiring skills and knowledge. Co-chaired by William Wiggenhorn, Alliance board member and president of Motorola University, and former New Hampshire Gov. Stephen Merrill, the commission plans to release its findings and recommendations for action in 2001.

The commission's background paper, *Into the Future*, is available from the Web sites www.astd.org and www.nga.org.

The **Web-Based Education Commission** was established by the U.S. Congress to develop specific policy recommendations geared toward maximizing the educational promise of the Internet for pre-K, elementary, middle, secondary and postsecondary education. The commission's goal is to establish a "policy road map" that will help education and policy officials at the local, state and national levels better address the critical "digital age" challenges brought about by the Internet and other emerging technologies.

U.S. Sen. Bob Kerrey of Nebraska, the commission chair, and U.S. Rep. Johnny Isakson of Georgia, vice-chair, are leading this one-year effort, which will yield a comprehensive report to Congress and the president by the end of November 2000. More information is available from the commission's Web site at www.webcommission.org.

Additionally, ASTD and the MASIE Center have partnered to conduct the **Learning Technology Acceptance Study**, which aims to understand how organizations can increase learner use and acceptance of learning technologies. The study seeks to discover the enablers and barriers to the acceptance of new learning technologies. Among the factors being examined are learner motivations, logistics of the learning event, marketing and promotion of the learning opportunity, rewards and recognition, supervisor support, organizational culture, and physical learning environment. Paul Petrylka, a director of learning at Kmart, indicates why this type of research is important: "As organizations such as Kmart implement new models of learning and training, it is critical that we have validated research to guide our efforts and decisions."

More information is available from the MASIE Center Web site at www.masie.com.

Huge Global Markets for Learning Providers

E-learning providers face a large and growing market of adult learners. According to the U.S. Department of Education, nearly 50 percent of postsecondary enrollments consist of adults over the age of 25. Moreover, the market is global, thanks to the Internet, which enables education and training to be delivered anywhere in the world.

The trends in global education and training are even more staggering. According to estimates by NextEd, an education and training infrastructure company, the current higher education participation rate globally is 16 percent (ranging from an average of 6 percent in Africa to 34 percent in the Americas). By 2010, the company estimates that global participation rates will be 20 percent and by 2025, 31 percent.

Already, companies are responding to this market demand. E-learning technology and infrastructure companies are forming partnerships with traditional higher education institutions at breakneck speed. **Fathom.com,** a learning portal, has partnered with Columbia University, the London School of Economics, University of Chicago and Woods Hole Oceanographic Institution, among others. **The Global Education Network** has a partnership with Wellesley College, Williams College and Brown University. **eMind.com** collaborates with the University of Massachusetts Medical School. **Quisic** partnered with University of Southern California and University of North Carolina. And **UNext.com** has an alliance with Carnegie Mellon University, Stanford University, Columbia University and the University of Chicago.

Another trend for universities is to create for-profit spinoffs to develop and market online curricula to adult learners and corporate clients. Nonprofit and public institutions that recently have created for-profit entities include Columbia University, Cornell University, Duke University, New York University, Temple University and University of Maryland University College.

This trend of convergence between for-profit and nonprofit education providers raises questions about government regulation, accreditation and funding — issues that have yet to be sorted out amid the rush to get online. ●

E-Learning

continued from page 1

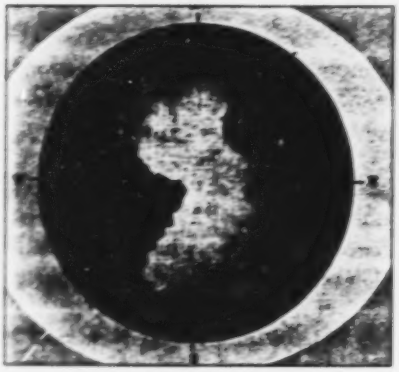
based economy, the quality and skill of the workforce is a key factor in a company's marketplace advantage. "As globalization encompasses local economies, the development of a skilled workforce becomes a genuinely international concern," says Peter J. Stokes, executive vice president of Eduventures.com. "And as human capital becomes the chief source of economic value, education and training become lifelong endeavors for the vast majority of workers."

Corporations are competing fiercely for skilled workers because of historically high employment rates and widening skills gaps among workers. According to a recent survey by PricewaterhouseCoopers, 70 percent of Fortune 1000 companies cite the lack of skilled workers as their top barrier to sustained growth. Businesses that offer ongoing training and education opportunities benefit from increased employee retention and a more highly skilled workforce. Therefore, employers view training and lifelong learning as a key to maintaining and enhancing business success.

Web-based learning offers particular promise in today's business environment. According to the recently published book *MetaCapitalism: The E-Business Revolution and the Design of 21st Century Companies and Markets*, the demand for skilled workers has tripled since 1950, but the portion of the world's population that has a college diploma — a widely accepted signal of knowledge and skills — has remained flat at 1 percent. E-learning has the potential to offer education and training to vast numbers of people around the world.

Growth in Outsourcing and E-Learning

In response to these economic pressures, American companies increased their training budgets over



the last five years. From 1994 to 1999, overall training budgets of companies with more than 100 employees increased 23.5 percent. Moreover, outsourced training expenditures grew twice as fast in the same time period, by 51.5 percent.

E-learning is still a small percentage of the total training market. According to a 1999 survey by Corporate University Xchange, classroom-based, instructor-led training is, by far, the dominant mode of delivery, holding 80 percent of market share. But according to many analysts, Web-based learning will grow at exponential rates, providing 40 percent of all training by 2003.

The potential of e-learning for corporate training has attracted the attention of private investment firms. Venture capital investors provided $1.1 billion of funding to training companies in 1999; Web-based training companies attracted 55 percent of that private investment, according to Eduventures.com.

Why E-Learning?

Online and Web-based training provides many potential benefits to both companies and employees in today's fast-paced, just-in-time, 24/7 work environment. E-learning offers many advantages as businesses grow internationally, face ongoing cost-containment pressures and encounter a highly competitive job market:

- **Lower delivery costs and minimized productivity losses**
  According to *Training* magazine, companies can reduce training costs 50 percent to 70 percent by replacing instructor-led training with electronic delivery. Travel expenses account for as much as 70 percent of training costs — expenditures that Web-based learning avoids. Online training has the added benefit of minimizing productivity losses associated with training away from the workplace.
- **Just-in-time information**
  When training content is delivered on a network — within a company or via the Internet — it can be updated instantly. This enables companies to update company standards, roll out new product information and training, and revise technology guidelines for all employees.
- **Personalized learning**
  Web-based training can be tailored to different learning styles. Learners can access materials as often as they like and progress through a course at their own pace. Some studies indicate that learners retain more information through electronic methods than through instructor-led lectures.
- **Ease of distribution**
  When KPMG Consulting wanted to train 8,000 consultants on a new e-learning platform, the company turned to DigitalThink, a Web-based training company. All 8,000 employees were trained in six weeks. KPMG benefited from "an immediately deployable e-learning solution tailored to help us realize our goals," says Rod McGeary, vice chairman of KPMG Consulting. E-learning can reach employees

quickly and easily, no matter where they are located.

- **Anywhere, anytime availability**
  In traditional classroom settings, employees are at the mercy of the training schedule. With online learning — available 24 hours a day, seven days a week — workers can undertake training when it is convenient for them.
- **Unhampered by geography**
  In the current global environment, one company may have locations in many time zones and have workers from myriad cultural backgrounds. With e-learning, worldwide organizations can implement a training solution that transcends geography and time.
- **Tracking progress and performance**
  Online learning allows companies to track the progress of its employees, quickly identify skills gaps and devise solutions. With an e-learning platform, says Kara Underwood, worldwide training and communications manager at Adobe, "we can easily do a group analysis and see where the skills gap is for each employee, specific team or job type."

Real or Reverie?

How much of this is hype? While projections for e-learning are promising, most corporate training — and learning in general — is conducted by an instructor in a classroom, and no one is predicting an end to classroom-based experiences.

Andrew Rosenfield, chairman and CEO of Unext.com, warns of hyperbole in discussions about e-learning: "There is temptation at the birth of all new technologies to believe that the new replaces or displaces the old. This is typically false … and surely is false in the case of distance learning." Instead, Rosenfield says, e-learning is a complement, not a substitute, for facilities-based education.

Before companies and workers can profit from the promise of online learning, business executives, policymakers and learners must consider several issues:

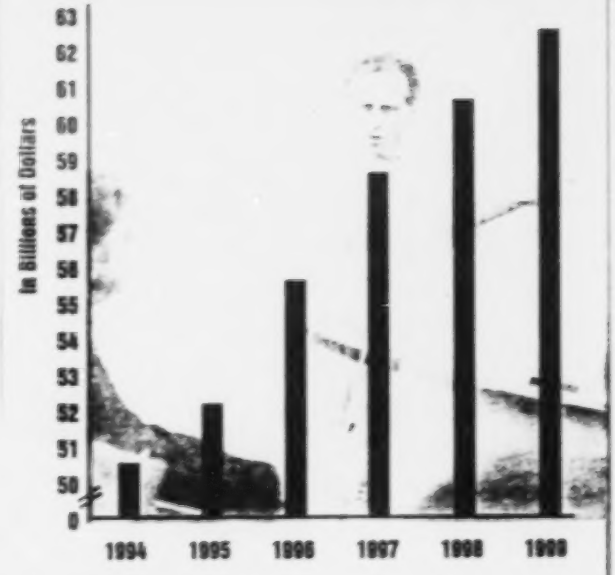
- **Quality**
  The quality of the learning experience is the first and most important criteria for judging e-learning. So far, the experience has been mixed. According to an October 1999 survey of training customers, almost 50 percent of respondents said that Web-based training courses conveyed information but did not build skills. "Many interactive training vendors are missing the point of the Web by simply creating HTML versions of their CD-ROM-based training," says Ben Watson of SmartForce, an e-learning company.
- **Learner receptivity**
  Many learners are not yet comfortable with Web-based delivery. According to a recent study by the MASIE Center, a technology and learning think tank, 49 percent of respondents reported that they were distracted when trying to participate in e-learning at their desktops. A March 1999 study of 201 corporate training managers conducted by International Data Corporation found that nearly 70 percent of respondents preferred instructor-led training over technology-based training.
- **Access**
  Many large, multinational corporations have the resources to invest in e-learning solutions and benefit from a highly skilled workforce. Not all workers, however, have access to Web-based learning experiences. Those in low-skilled and entry-level positions are the least likely to have access to training, especially e-learning. In this case, the "digital divide" represents more than access to technology. It points to a widening gap between high- and low-skilled workers in career opportunities for the 21st century.
- **Financing**
  Public financing of lifelong learning, as well as private reimbursement of education opportunities, traditionally has relied on accreditation. Students can receive federal loans, for example, only by enrolling in accredited institutions. Most corporate tuition-reimbursement programs also stipulate that students must enroll in programs at accredited nonprofit or for-profit providers. With the advent of e-learning, however, a whole host of new providers has entered the market. Traditional accreditation may no longer be a useful device for ensuring quality. In turn, the financing of lifelong learning is called into question. Tax and regulatory policies need to be re-examined for e-learning to become beneficial to all workers and businesses and be part of an integrated public policy supporting workforce development.

Whether or how quickly e-learning transforms how people learn throughout a lifetime remains to be seen. Many trends are promising, but many complex questions need to be answered. Several national studies and commissions are investigating some of the policy issues surrounding online learning. (See "National Commission, Studies Focus on Questions About E-Learning" on page 3 for more information.) Moreover, the National Alliance of Business will revisit these issues in future issues of *WorkAmerica*. If you have comments and feedback, please contact Hans Meeder, senior vice president of workforce development, at meederh@nab.com. ●

Facts & Figures

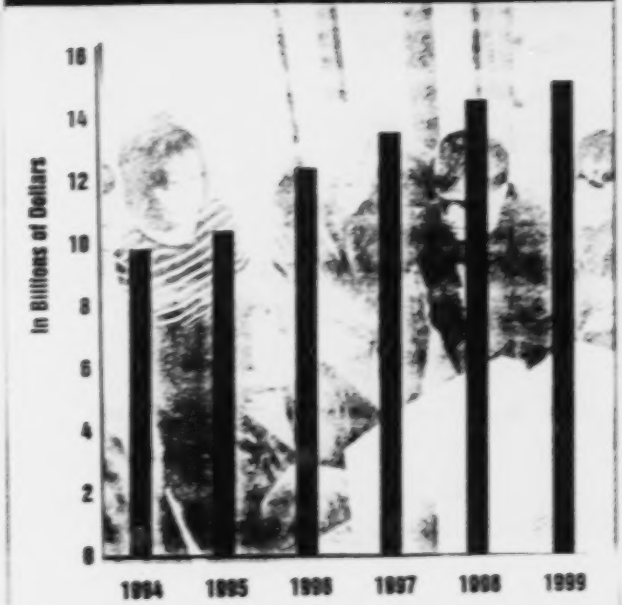
Training and E-Learning Expand Dramatically

Total U.S. Annual Training Budgets (1994–1999)



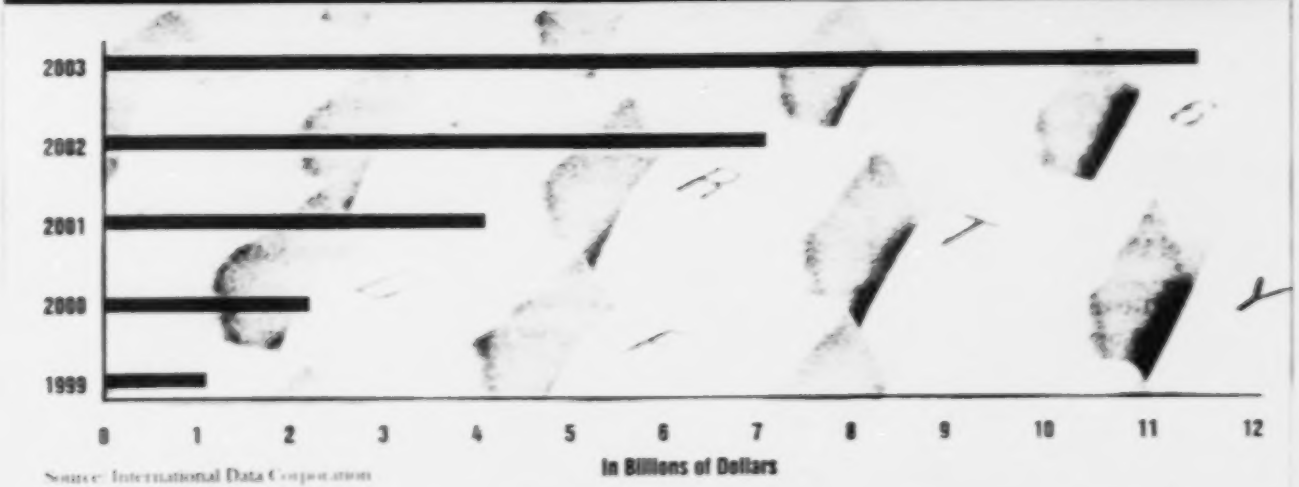
Source: *Training* magazine

Total U.S. Annual Outsourced Training Expenditures (1994–1999)



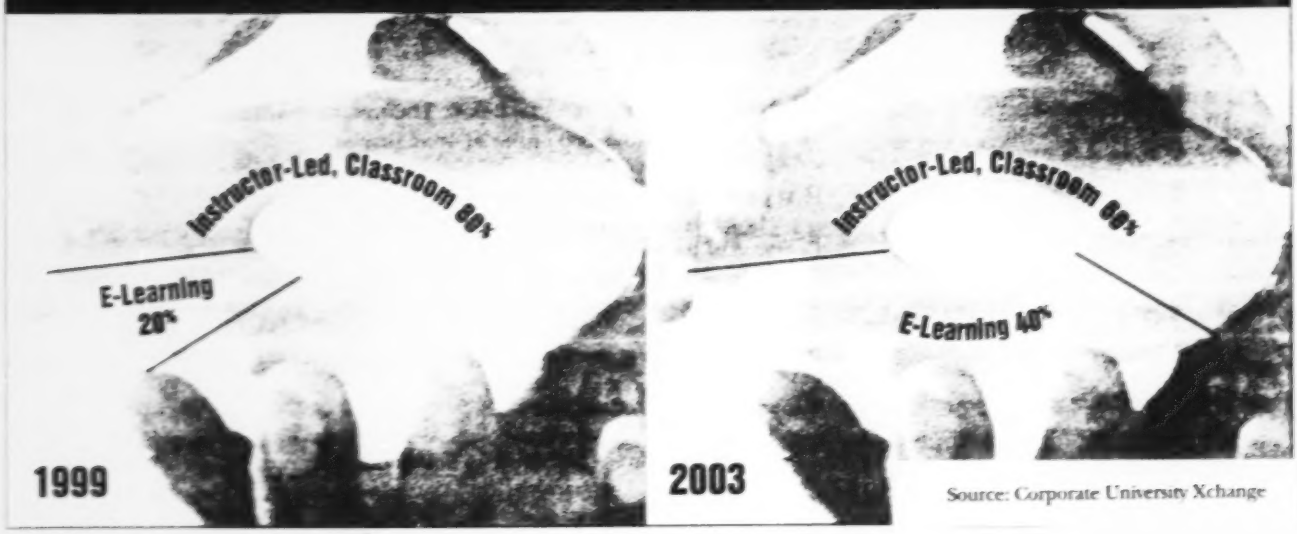
Source: *Training* magazine

U.S. Web-Based Training Growth Forecast (1999–2003)



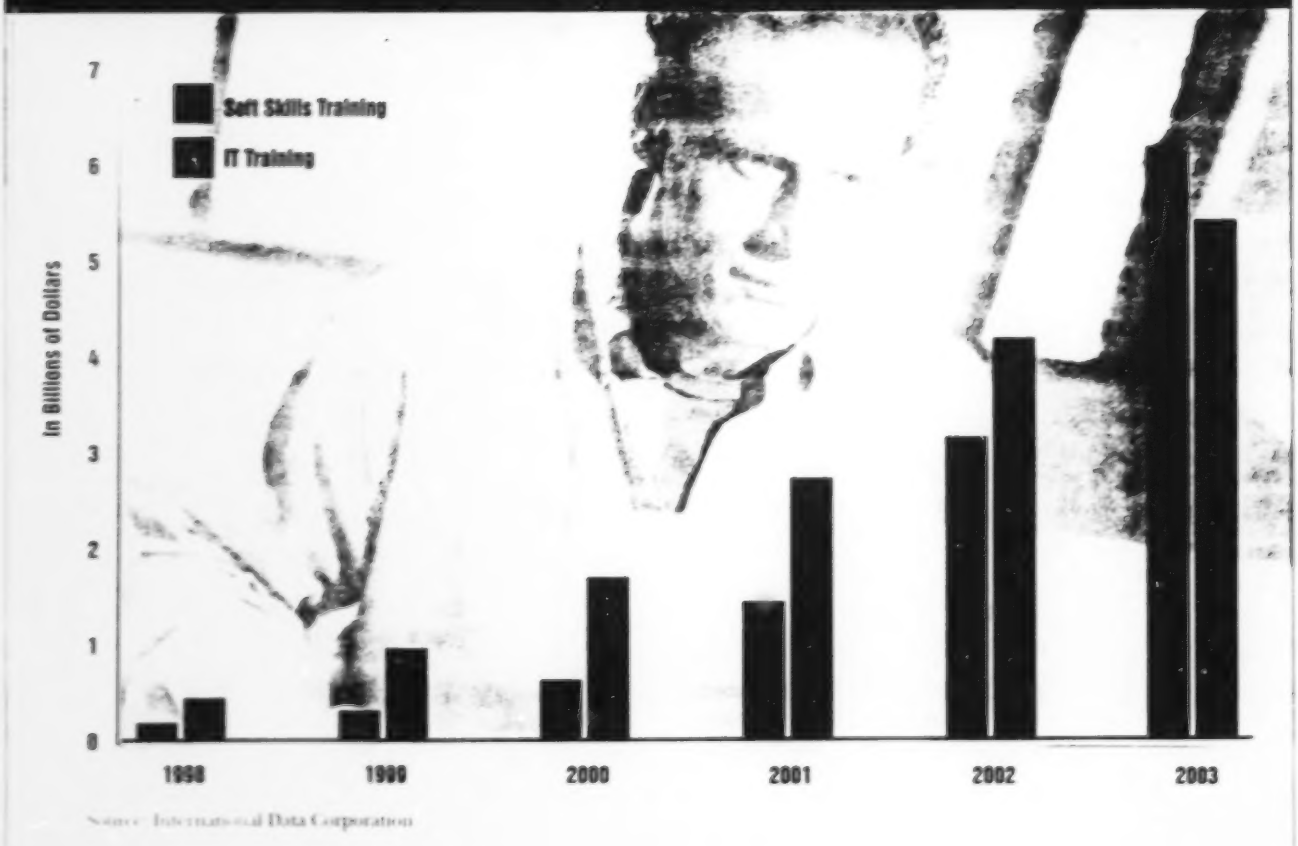
Source: International Data Corporation

Forecast of Growth in Training Delivery Modes (1999–2003)



Source: Corporate University Xchange

Forecast of Growth in the U.S. Internet-Based Training Market by Product (1998–2003)



Source: International Data Corporation

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The National Alliance of Business is a national business organization focused solely on increasing student achievement and improving the competitiveness of the workforce. The Alliance's members include CEOs and senior executives of Fortune 500 companies, educators, and business-led coalitions. Together, the Alliance and its members are leading efforts to strengthen the link between education and the workplace and promote training and lifelong learning.

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NATIONAL ALLIANCE OF BUSINESS

NAB Congratulates 2000 Award Winners

The National Alliance of Business extends warmest congratulations to its 2000 award winners listed below. Their accomplishments will be detailed in the December 2000 issue of *WorkAmerica*.

Henry Ford II Business Leadership Award
Harold McGraw, Chairman, CEO and President, McGraw-Hill Companies, Inc.

Company of the Year
General Motors Corporation

State of the Year
Connecticut

Business Volunteer of the Year
Steffen Palko, President and Co-Founder, Cross Timbers Oil Company

Business Coalitions of the Year
The Gulf Coast Process Technology Alliance, Texas City, Texas
Maine Coalition for Excellence in Education, Portland, Maine
OMAHA 2000, Omaha, Neb.

Career College of the Year
Skadron College, San Bernardino, Calif.

Community College of the Year
Kirkwood Community College, Cedar Rapids, Iowa

Corporate University of the Year
Booz•Allen & Hamilton, Center for Performance Excellence, McLean, Va.

NELC/School-to-Work Companies of the Year
Cisco Systems, Inc., San Jose, Calif.
Geographic Data Technology, Lebanon, N.H.
Intel Corporation (Oregon Site), Santa Clara, Calif.
United Parcel Service (Louisville, Ky., Operations), Atlanta, Ga.

One-Stop Career Center of the Year
Workforce Development Board of the Treasure Coast, Port St. Lucie, Fla.

Professionals of the Year
Lawrence Fitch, President and CEO, San Diego Workforce Partnership, San Diego, Calif.
June Streckfus, Executive Director, Maryland Business Roundtable for Education, Baltimore, Md.

Workforce Development Board of the Year
"WorkAdvantage," Tarrant County Workforce Development Board, Fort Worth, Texas

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